

EXAMPLE

Extract of Minutes of Meeting of the
School Board of Independent School District No. 831
(Forest Lake Area, Minnesota)

Pursuant to due call and notice thereof, a meeting of the School Board of Independent School District No. 831 (Forest Lake Area, Minnesota), was duly held in said District on June 30, 2011, at 7:00 o'clock P.M.

The following members were present: _____.

and the following were absent: - _____ -

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The Chair announced that the meeting was convened in part to authorize the issuance of the District's General Obligation Aid Anticipation Certificates of Indebtedness, Series 2011 and to authorize the Chair or Clerk to accept an offer to purchase said Certificates from Piper Jaffray & Co. (the "Purchaser") upon certain specified conditions.

Member _____ then introduced the following resolution and moved its adoption:

**RESOLUTION AUTHORIZING AND AWARDING SALE OF
GENERAL OBLIGATION AID ANTICIPATION
CERTIFICATES OF INDEBTEDNESS, SERIES 2011 AND FIXING FORM
AND TERMS THEREOF IN CONNECTION WITH THE
MINNESOTA TAX AND AID ANTICIPATION BORROWING PROGRAM
SPONSORED BY THE MINNESOTA SCHOOL BOARDS ASSOCIATION AND
GREATER MINNESOTA SERVICE COOPERATIVES**

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RECITALS

WHEREAS, the School District is authorized to issue aid anticipation certificates of indebtedness to provide money for school purposes in anticipation of the collection of state aids for schools and federal aids to be distributed by or through the State Department of Education; and

WHEREAS, Minnesota Statutes, Section 126C.56, Subd. 2, authorizes the School District to issue the aid anticipation certificates of indebtedness herein authorized by negotiation and without advertisement for bids; and

WHEREAS, the Minnesota School Boards Association and the Greater Minnesota Service Cooperatives have endorsed the Minnesota Tax and Aid Anticipation Borrowing Program (the "Program") whereby participating school districts, by simultaneously issuing their aid anticipation certificates of indebtedness, may be able to reduce their debt service and issuance costs below what could be achieved if they issued separately; and

WHEREAS, the Program requires the execution and delivery of Certificates of Participation evidencing proportionate interests in payments of principal and interest on certain aid anticipation certificates of indebtedness issued by the participating school districts in connection with the Program, including the Aid Anticipation Certificates described herein; and

WHEREAS, the Program requires that each participating school district enter into a Trust Agreement with U.S. Bank National Association, Saint Paul, Minnesota, as trustee (the "Trustee"), in substantially the form presented to this Board and on file at the office of the Clerk (the "Trust Agreement"); and

WHEREAS, the principal amount of Aid Anticipation Certificates to be issued by the School District pursuant to this resolution shall not exceed \$15,000,000; and

WHEREAS, the principal amount of said Aid Anticipation Certificates to be issued hereunder does not exceed either (a) 75% of the aids receivable by the School District in the school year in which borrowed (2011-2012), as estimated and certified by the Commissioner of Education of the State of Minnesota, less the principal amount of any outstanding aid anticipation certificates payable therefrom, or (b) 5% of the previous year's cash expenditures plus the maximum cumulative cash flow deficit of the School District.

NOW, THEREFORE, BE IT RESOLVED by the School Board of Independent School District No. 831, State of Minnesota, as follows:

THE PROGRAM

1.1. This Board finds that it is desirable and expedient to participate in the Program and to simultaneously with other school districts issue its Aid Anticipation Certificates of Indebtedness, Series 2011 (the "Aid Anticipation Certificates") and to authorize the

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execution of and delivery of Certificates of Participation, Aid Anticipation Series 2011 (the "Certificates of Participation"), evidencing proportionate ownership interests in payments of principal and interest to be made by the School District in connection with the Aid Anticipation Certificates, pursuant to the provisions of the Trust Agreement. Subject to the provisions of Section 2.8 hereof, the Aid Anticipation Certificates shall at all times be registered in the name of the Trustee and held by the Trustee for the benefit of the holders of the Certificates of Participation.

1.2. This Board hereby approves the form of Trust Agreement. The Trust Agreement shall be executed in the name and on behalf of the School District by the Chair or, in the absence of the Chair, any other officer, and attested by the Clerk or any other officer, in substantially the form on file, but with all such changes therein, not inconsistent with law, as may be approved by the officer executing the same, which approval shall be conclusively evidenced by the execution thereof. Such changes in the Trust Agreement may provide for changes in certain terms of the Aid Anticipation Certificates which will not have a material adverse affect on the School District, including changes in the time for the performance of certain acts.

1.3. U.S. Bank National Association, Saint Paul, Minnesota is hereby appointed as trustee under the Trust Agreement and as the paying agent and registrar for the Certificates of Participation and as the authenticating agent, paying agent and registrar for the Aid Anticipation Certificates under Minnesota Statutes, Chapter 475.

THE AID ANTICIPATION CERTIFICATES

2.1. Piper Jaffray & Co. (the "Purchaser") has stated an intention to make an offer to purchase the Aid Anticipation Certificates of the School District in accordance with the terms set forth in the Proposal Form and Acceptance set forth as Exhibit A hereto, which, together with similar obligations of other school districts, are to be evidenced by the Certificates of Participation described in the Trust Agreement. An offer to purchase the Aid Anticipation Certificates, if made, will be made by telephone or facsimile communication to the Clerk or Chair of the interest rate and purchase price. If the interest rate offered does not exceed 6.00% per annum and the purchase price is not less than 99.9% of the principal amount thereof, the offer is hereby accepted and the Chair or Clerk is authorized and directed to accept the same on behalf of the School District by inserting the interest rate and purchase price in the Proposal Form and Acceptance, executing the Proposal Form and Acceptance on behalf of the School District and returning a completed copy thereof to the Purchaser. If the Chair or Clerk is not available to execute such acceptance on the date distributed the acceptance may, with the approval of the Chair, be executed by the Superintendent or Business Manager.

2.2. The Aid Anticipation Certificates shall be in an amount not to exceed \$15,000,000 shall be dated as of the date of delivery (which is expected to be September 1, 2011), shall mature on September 1, 2012, and shall bear interest at the rate per annum accepted by the Chair or Clerk on behalf of the School District and recorded in the Proposal

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Form and Acceptance, payable at maturity, without option of prior payment. Interest shall be calculated on the basis of a year of twelve 30-day months. The Aid Anticipation Certificates shall be numbered from R-1 upwards and may be issued in any denomination or denominations. The principal amount of the Aid Anticipation Certificates shall be reduced if and to the extent necessary to obtain an approving legal opinion of bond counsel as to the legality thereof and the tax exempt status of interest thereon. The principal amount may also be reduced in a manner which reflects any premium at which the Certificates of Participation are offered for sale.

2.3. The Aid Anticipation Certificates are issued in anticipation of the receipt of state aids for schools and federal aids to be distributed by or through the State Department of Education. The Aid Anticipation Certificates are not issued for the purpose of borrowing against the aids of one District fund to increase the available cash balance in another District fund. The District is authorized to issue Aid Anticipation Certificates in an aggregate amount not to exceed seventy five percent of the aids receivable by the District in the school year in which borrowed (2011-2012), as estimated and certified by the Commissioner of Education of the State of Minnesota. The Aid Anticipation Certificates are general obligations of the School District and the full faith and credit of the School District is hereby pledged to the full and prompt payment of the principal thereof and interest thereon.

2.4. The District shall utilize the provisions of Minnesota Statutes, Section 126C.55, and shall file with the Department of Education any necessary application or other forms. The District hereby covenants and obligates itself to notify the Commissioner of Education of any potential default in the payment of the principal of or interest on the Aid Anticipation Certificates and to use the provisions of Minnesota Statutes, Section 126C.55, to guarantee payment of the principal and interest on the Aid Anticipation Certificates when due. The District further covenants to deposit with the Trustee three business days prior to the maturity of the Aid Anticipation Certificates an amount sufficient to make the payment of principal and interest then due, or to notify the Commissioner of Education that it will be unable to make all or a portion of that payment. The Trust Agreement shall include the provisions required by Subdivision 7 of Minnesota Statutes, Section 126C.55. The District shall do all other things which may be necessary to perform the obligations hereby undertaken under Minnesota Statutes, Section 126C.55, including any requirements hereafter adopted by the Commissioner of Management & Budget or the Commissioner of Education.

2.5. The Aid Anticipation Certificates, the form of certification by the authenticating agent and the provisions for assignment of the Aid Anticipation Certificates shall be, respectively, in substantially the following form (the text of which may be typewritten or printed on the face, or on the back, or partly on the face and partly on the back):

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UNITED STATES OF AMERICA
STATE OF MINNESOTA
INDEPENDENT SCHOOL DISTRICT NO. 831
(FOREST LAKE AREA, MINNESOTA)

No. R-1

\$ _____

GENERAL OBLIGATION AID ANTICIPATION
CERTIFICATE OF INDEBTEDNESS, SERIES 2011

Interest Rate
%

Maturity Date
September 1, 2012

Date of Original Issue
September 1, 2011

REGISTERED OWNER: U.S. BANK NATIONAL ASSOCIATION OF SAINT PAUL,
as Trustee

PRINCIPAL AMOUNT: _____ DOLLARS

KNOW ALL PERSONS BY THESE PRESENTS that Independent School District No. 831 (Forest Lake Area, Minnesota), a public school corporation having its office in the City of Forest Lake, Minnesota, acknowledges itself to be indebted and for value received promises to pay to the registered owner specified above, or registered assigns, without option of prior payment, the principal sum specified above, on the maturity date specified above, and to pay interest thereon from the Date of Original Issue specified above until the principal amount is paid at the interest rate specified above, computed on a year of twelve 30-day months, interest due and payable on the maturity date specified above. The interest hereon and, upon presentation and surrender hereof at the principal office of the agent of the Registrar described below, the principal hereof are payable in lawful money of the United States of America by check or draft drawn on U.S. Bank National Association, Saint Paul, Minnesota, as bond registrar, transfer agent and paying agent, or its successor designated under the Resolution described herein (the "Registrar").

This Aid Anticipation Certificate is one of a duly authorized series in the aggregate principal amount of \$ _____, all of like tenor and effect except as to serial number and denomination, issued to provide money for school purposes in anticipation of the receipt of state aids for schools and federal aids to be distributed by or through the State Department of Education, pursuant to and in full conformity with the Constitution and Laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Sections 126C.50 to 126C.56, as amended, and a resolution authorizing the issuance of the same, entitled "Resolution Authorizing and Awarding Sale of General Obligation Aid Anticipation Certificates of Indebtedness, Series 2011 and Fixing Forms and Terms Thereof in Connection with the Minnesota Tax and Aid Anticipation Borrowing Program sponsored by the Minnesota School Boards Association and the Greater Minnesota Service Cooperatives," heretofore duly adopted by the School Board of the School District (the "Resolution").

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This Aid Anticipation Certificate is transferable, as provided by the Resolution, only upon books of the School District kept at the office of the Registrar, by the registered owner hereof in person or by the owners' duly authorized attorney, upon surrender of this Aid Anticipation Certificate for transfer at the office of the Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Registrar duly executed by, the registered owner hereof or the owners' duly authorized attorney, and, upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, one or more fully registered Aid Anticipation Certificates of the same series and of the same aggregate principal amount and interest rate will be issued to the designated transferee or transferees.

Aid Anticipation Certificates of this series are issuable only as fully registered Aid Anticipation Certificates without coupons in any denomination or denominations. As provided in the Resolution and subject to certain limitations therein set forth, the Aid Anticipation Certificates of this series are exchangeable for a like aggregate principal amount of Aid Anticipation Certificates of this series of a different authorized denomination, as requested by the registered owner or the owners' duly authorized attorney upon surrender of to the Registrar.

This Aid Anticipation Certificate is a general obligation of the School District, the full faith and credit of the School District having been pledged to the full and prompt payment of the principal hereof and interest hereon, but is primarily payable out of state and federal aids distributed by and through the State Department of Education and other available funds which are pledged and appropriated to the equal and ratable payment of the Aid Anticipation Certificates and interest thereon as provided in the Resolution.

IT IS HEREBY FURTHER CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen, and to be performed precedent to and in the issuance of this Aid Anticipation Certificate have been done, have happened and have been performed in regular and due form, time and manner as required by law; and that the issuance of this Aid Anticipation Certificate does not cause the indebtedness of the School District to exceed any constitutional or statutory limitation of indebtedness.

This Aid Anticipation Certificate shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the Authenticating Agent's Certificate.

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IN WITNESS WHEREOF, Independent School District No. 831 (Forest Lake Area, Minnesota), by its School Board, has caused this Aid Anticipation Certificate to be executed on its behalf by the Chair and Clerk of the School District, both by manual or facsimile signature, and by the manual signature of the Authenticating Agent, said School District having no corporate seal or said seal having been intentionally omitted as permitted by law, all as of the Date of Original Issue specified above.

Dated: September 1, 2011

INDEPENDENT SCHOOL DISTRICT
NO. 831

By _____
Chair

and _____
Clerk

AUTHENTICATING AGENT'S CERTIFICATE

This is one of the Aid Anticipation Certificates described in the within mentioned Resolution.

Dated: September 1, 2011

U.S. BANK NATIONAL ASSOCIATION
Authenticating Agent

By _____
Authorized Signature